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remain as they are, I have to use my discretion to the best of my lights; and if the Opposition feels that certain restrictions are necessary, I hope they will take the necessary steps to amend the standing orders."

VI

RESOLUTION UNDER SECTION 8 OF THE COTTON TRANSPORT ACT, 1923.

*The hon. Mr. M. R. SETURATNAM AYYAR:—"Mr. President, Sir, I beg to move the following resolution, viz.,—

'*This Council recommends to the Government that the revised notification*[a] *and rules submitted to the Council for approval under section* 8 *of the Cotton Transport Act*, 1923 (*III of* 1923), *as amended by the Cotton Transport (Amendment) Act*, 1925 (*XXXIV of* 1925), *be issued by the Local Government in the form in which they have been so submitted.*'

"Though it is perhaps not necessary to explain the proposals before the House, I shall briefly advert to the past history of this measure in this Presidency. As the hon. Members are aware, the Cotton Transport Act was passed by the Indian Legislature in 1923 with the main object of maintaining and improving the quality of the cotton grown in certain areas. To attain this object, the measure enables the Local Government to prohibit, by notification, the import of cotton into that area except under a licence. No notification can issue unless it has been approved by a resolution of the Council. The notification and the rules framed under the Act by the Government of Madras were first placed before the Council in August 1925 and passed by it. According to the notification and rules then passed, the Act was extended to Madras and made applicable to three protected areas:—

"(1) The northern and western area consisting of the Ceded districts."

Mr. G. HARISARVOTTAMA RAO:—"The hon. Minister is reading his speech wholesale."

*The hon. the PRESIDENT:—"After hearing this morning the hon. the Chief Minister, an English University man, and our own ex-Minister, a graduate of our University, who referred to manuscript speeches, I don't think I will be justified in restraining Mr. M. R. Seturatnam Ayyar." (Laughter.)

*The hon. Mr. M. R. SETURATNAM AYYAR:—"It is purely technical and has to be explained with notes."

Mr. A. RANGANATHA MUDALIYAR:—"May I therefore request you to kindly remove the ban on manuscript speeches?"

*The hon. the PRESIDENT:—"When I allowed Sir A. P. Patro and the hon. the Chief Minister this morning to resort to manuscript eloquence, I need not say that I have practically removed the ban on manuscript speeches."

The hon. Dr. P. SUBBARAYAN:—"As a matter of personal explanation, I beg to point out to you, Sir, that even in the House of Commons responsible Ministers of the Crown do read from manuscript especially when it concerns matters of policy or matters of finance."

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a Printed as Appendix XIII at pages 595–606 infra.

* The hon. the PRESIDENT :—" I don't think they resort to it when they reply to debates."

* The hon. Mr. M. R. SETURATNAM AYYAR :—" (2) The Tiruppur Cambodia area comprising the district of Coimbatore, the Karur, Kulittalai and Musiri taluks of Trichinopoly, the Namakkal, Tiruchengode and Rasipur taluks of the Salem district and that portion of Madura lying to the north and west of the Vaigai river.

" (3) The Tinnevelly are acomprising the Tinnevelly district, portion of the districts of Madura and Ramnad lying to the east and south of the Vaigai river.

" These three areas represent the tracts into which the import of cotton by rail and sea except in accordance with the conditions of a licence prescribed is prohibited. It is unnecessary to go into the other details connected with the working of the system. I may however mention that even when this notification was introduced in the Council expert opinion was not in favour of including into the Cambodia area tracts other than the district of Coimbatore and the Karur taluk of the Trichinopoly district ; but the final decision was arrived at in consultation with the representatives of the Council by the hon. Minister then in charge. The Act has now been working for well nigh three years. The working of the Act has been reported upon by the Director of Agriculture and his proposals for the future working of the Act have been considered at more than one meeting of the Provincial Cotton Committee, Madras. Though the Director of Agriculture was in favour of re-arranging the two protected areas in the south, viz., the Cambodia area and the Tinnevelly area, into three, viz., the irrigated Cambodia area comprising Coimbatore and the taluk of Karur and Palni, the Karunganni area comprising Tinnevelly and portions of Madura and Ramnad lying to the east and south of Vaigai and Salem and Dindigul area comprising the districts of Chingleput, South Arcot, Chittoor, North Arcot, Salem, Trichinopoly excepting Karur, Tanjore, remaining portions of Madura excepting Palni and portions of Ramnad. The Provincial Cotton Committee expressed a preference for the amalgamation of the southern areas into one. As there was a difference of opinion, the result of the discussions at the meetings of the Provincial Cotton Committee were placed before a conference presided over by my predecessor. As a result of the deliberations of the Conference and on a consideration of the various petitions and proposals received from various gentlemen and bodies representing the points of view of the grower, trader, mill-owner, broker, etc., the Government have decided to accept the proposal to have for the present only one area in the south which will combine the present protected areas of Tiruppur and Tinnevelly and extend it so as to comprise all other districts, as specified in the notification, and to permit the movement of cotton seed free without licence while continuing the restriction as regards kappas and lint. As this decision represents almost the unanimous desire of traders, growers and others interested in the cotton industry, I hope the Council will pass the resolution recommending the adoption of the notification and rules as framed. I may in this connexion tell the House that this decision does not find favour with expert bodies, such as the Indian Central Cotton Committee engaged in attempts to improve cotton industry in India ; but the Government propose to give a trial to the working of the Act under the re-arrangements embodied

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in the notification. I do not think it is necessary for me to deal with the minor matters referred to in the notification and which are sufficiently explained in the memorandum accompanying it."

The hon. Dr. P. SUBBARAYAN :—" I second it."

* Mr. C. V. VENKATARAMANA AYYANGAR :—" I am glad to see that on this matter, wisdom has after all dawned on the Government. From 1920, the people of the district of Coimbatore and some of the neighbouring districts were put to a great deal of persecution and prosecution, simply with a view, as we stated then and we do state it here now, to help financially or otherwise, some foreign exporters and others. As for the Agricultural Pests Act all possible obstacles were placed in the way of free cultivation of cotton. And for five years, the people of the Coimbatore district who were chiefly interested in the matter and of the neighbouring districts had to put up a strong and long fight and I am glad to say that the Government showed some signs of wisdom when they agreed to the proposals of the public in that matter. And the date on which all people were asked to remove the cotton plants from their fields was changed from 1st August to 1st September every year. Further trouble arose on the action of the Government under this Cotton Transport Act. The hon. the Minister told us that even now the Indian Cotton Committee was against the proposals of this Government. From 1925 onwards (the struggle began in 1923 itself) there was a regular struggle between the experts of Government on the one side and the poor people of Coimbatore and neighbouring districts on the other. A compromise, as it were, was arrived at in 1925. Though inconvenient it was to the people of our district to agree to division of this cotton area into three districts, they had to submit to it as a compromise. I wish that all the non-official European Members were present now. If they were here I would give them one piece of advice, but since they are not here I would communicate it to them through the proceedings of this House. So long as there was a dispute between the European merchants of Tinnevelly and the cotton growers of Coimbatore, the Government was taking advantage of that fight, and divided the southern area into two different areas. It so happened, however, that the Director of Agriculture, who was holding strong views on the matter, was against any privileges being given to the people, either the merchants or the growers, and in the exercise of his power, he consistently refused to issue licences to all including Europeans and that was a fortunate day for us. For the European merchants, chiefly belonging to Messrs. Harvey & Co., had thought that in view of their having helped the department they would be helped by the Director of Agriculture, but when once the Director refused to issue licences, they became angry and the result was as has been referred to by the hon. Minister himself so far as the Provincial Cotton Committee was concerned. And the European merchants of Tinnevelly, who were members of the Provincial Cotton Committee, came to our side and agreed to passing a resolution that this restriction should be taken away. Therefore, Sir, whatever the reasons may be and it was chiefly due to the union of the Indian and European merchants, we have achieved a grand victory over the experts of this Presidency. I congratulate the Government on having come to the conclusion that there existed something like a tyranny of experts. Here again, the ex-Minister and the present Minister have to be congratulated on their having agreed to throw away the opinion of the experts and to meet the wishes of the people of this province. They could not

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but do that, because the unanimous opinion of all people interested in cotton, growers, merchants or middlemen, was in favour of this change. Therefore, on behalf of the people of Coimbatore and the neighbouring districts, I welcome the resolution that has been moved to-day. So far as Coimbatore was concerned, Government made some attempt to create a division between the growers and the merchants. But in our district growers and merchants are the same and no attempt to separate them can succeed.

3 p.m. "May I say one word more, Sir, with respect to a point which may be looked into by the hon. Minister? I request him to see why we should not take away the necessity for having any resolution under this Cotton Transport Act. It is now believed that there is no use to have the Act in force here, after the present change. The one thing experts want is the prohibition of the import of cotton seeds into our districts. The Government say 'No' to it by this resolution. The cotton seeds have been taken away from the purview of this resolution. May I not therefore appeal to the hon. Minister not to worry people at all in regard to this because the important item of cotton seeds is not within the purview of the resolution? The experts also say that prohibition should extend to road and river transports also. But as it would be a tyranny to put police guards at every junction where roads meet, the Government have very rightly come to the conclusion that even so far as the present restrictions are concerned there shall be no restriction over road transport, as to extend prohibition of transport to roads, etc., would put the people to additional difficulties. I am not opposing this motion. I feel that I should agree with the view of the Provincial Cotton Committee that the best thing is to see that the Cotton Transport Act as far as it concerns our Presidency has no force at all. I hope that it will be done at no distant date. We are satisfied and thankful to the hon. Minister that the Government have arrived at this decision in spite of the opposite view expressed by the official experts. And I therefore strongly support the resolution."

* Mr. C. GOPALA MENON:—"Sir, in rising to speak on this resolution it is not my object to oppose it, but to bring to the notice of the hon. Minister certain difficulties under which the mercantile public is suffering owing to the operation of this Act. The Act was brought into force three years ago with the object of promoting and encouraging the cultivation of pure varieties of cotton in the different cotton-growing areas and of preventing the admixture of lint in bales in order to improve the quality of cotton intended either for local consumption or for export. The difficulties to which the dealers are now put to will be understood if I explain how the movement of cotton takes place in our Presidency. The chief difficulty is that all the cotton grown in Tamil Nadu had to move down to two important markets, Tiruppur and Virudhunagar, and as the cotton ginned in other places are not in practice saleable where ginned and had ultimately to be taken to these two markets. In this way, the Hyderabad cotton has to go to the northern and western areas, such as Bellary, Kurnool and Adoni; Mysore cotton to Salem and Dindigul cotton to Virudhunagar. There are at least five varieties of cotton in the Tamil Nadu comprising eleven districts apart from that coming from the Native States of Mysore and Hyderabad. It is now proposed to lump together all these varieties into one protected area. The thing that is not clear is 'what is protected against what?' All the varieties that ought to be protected each from admixture with others have

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been lumped together and it is futile to claim that the exclusive growth of any variety of cotton is encouraged in any locality by this Act. In this way there is no prevention of admixture of lint in bales in this vast area, and further, by the admission of all sorts of seeds into this area both the objects of the Act have been substantially rendered nugatory. Under these circumstances, is there much use in retaining the Act only to give to the merchants the trouble of obtaining licences for the transport of their cotton? What the department should do, on the other hand, is to move forward as in Bombay with the policy of undertaking supply of seed of pure strain and thus stop the sowing of inferior varieties of cotton. The department admits that all the available supplies of seed of the department are promptly absorbed by the ryots and therefore it is only inability of the department to expand its activities that is responsible for the imposition of such restrictions in agricultural and mercantile operations. What is wanted therefore is that the agricultural departments should have more demonstration farms and control and supervise many more subsidized or aided farms, for encouraging the growth of a good variety of cotton. They should see that only good varieties are grown. If the seeds of good varieties or pure strain seed are distributed and their growth encouraged the question of admixture may be left to the good sense of the grower and the seller.

"Another thing I wish to bring to the notice of the hon. Minister is that it is necessary to see that each variety of cotton is sold on its quality. For instance, Cambodia should be sold as Cambodia, Karunkanny as Karunkanny. and not as under the present system of 'type' selling. If this is done, the object of the Act, viz., encouragement of the growth of good varieties of cotton and the avoidance of admixture can be achieved."

Mr. L. K. Tulasiram :—" Mr. President, Sir, the rules that have now been framed under section 8 of the Act no doubt show that the Government realizes the difficulties of the cotton merchants of South India. When these rules were brought into force on the 24th November 1925 the whole Presidency was divided into three areas known as the northern and western area, the Tiruppur Cambodia area and the Tinnevelly area. Now, Sir, after so much agitation and representation, thanks to the ex-Minister, Mr. Ranganatha Mudaliyar, who was taken from place to place, and from village to village to every cotton centre to understand the difficulties of the ryots, the merchants etc., the Government have been wise enough to abolish the three protected areas and recognized only two protected areas. One of these is known as the northern and western area comprising the four districts of Bellary, Anantapur, Kurnool and Cuddapah and the other is known as the Tamil Nadu area which they call the southern area comprising the districts of Coimbatore, Tinnevelly, etc. The Cotton Trades Association of Virudhunagar in a message which they have sent to me say that the former Tamil districts have been grouped under one area under the Cotton Transport Act. That is a matter really for congratulation. But that has been achieved after a good deal of agitation, after a good deal of expense and after a number of memorials to which the Government officials also manufactured a number of counter-memorials through the propaganda of the officials of the Agricultural department. Sir, they have exempted the cotton seed from the operation of this Act. It is also a matter for congratulation. But in connexion with the issue of licenses I would make one request to the Government. These

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licences are issued under forms A to E divided into single licences for consignment by rail, single licences for consignment by sea and exporters' and manufacturers' licences. The sting lies in the classification of the licences into different forms. Why should there be a separate licence for the exporter and the manufacturer and why should there be different single licences to merchants. Sir, this differentiation is probably aimed at encouraging the export of cotton by the European merchants to the detriment of the Indian merchants. I am sorry, as has been observed by my hon. Friend Mr. Venkataramana Ayyangar, I do not see in the House many members representing the English Chamber of Commerce. We want equal treatment both for the European and Indian merchants under the rules framed under section 8 of the Cotton Transport Act. Really, if these licences, as demanded by the Provincial Cotton Committee, are to be enforced only for a maximum period of two months, the effect of it would be lost. No doubt I am expected to ship all my goods within two months. If I am not able to do so, I will have to surrender my licence. If I do so, I cannot get another licence. I hope that the hon. the Minister for Development understands the difficulties of cotton merchants of South India and that in administering the Act he will see that Indian merchants are not put to any trouble. I request him to see that the rules are enforced with sympathy and with an idea to improve the prospects of the Indian merchants.

"One word more, Sir. I do not know how it came about that the rules printed in the revised notification were not placed in our hands as required by the rules. It is only this morning after writing to the Secretary, Legislative Council, that I was able to get a copy. Perhaps there is something wrong. I got the revised notification only to-day. I request the hon. Minister to be prompt in supplying these papers to the hon. Members."

The hon. Mr. M. R. Seturatnam Ayyar :—"My department has sent in time."

Mr. L. K. Tulasiram :—"I take the word of the hon. Minister. Perhaps he is not to be blamed."

Mr. Basheer Ahmad Sayeed :—"On a point of order, Mr. President. May I know under what provision of the rules or Standing Orders this motion is brought before the House by the hon. Minister for Development ? If it is under 24-A, may I know whether . . ."

* The hon. the President .—"It is a resolution recommending to the Government."

Mr. Basheer Ahmad Sayeed :—"Is it a resolution, Sir ?"

* The hon. the President :—"The hon. Member is requested to read the resolution."

Mr. Basheer Ahmad Sayeed :—"But is it ballotted ?"

* The hon. the President :—"The hon. Member is aware, I believe, that the Govrnment have a right to arrange their business."

Mr. Basheer Ahmad Sayeed :—"Even without ballot, Sir ?"

* The hon. the President :—"Under Standing Order No. 5, ballot is not applied to official motions."

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Mr. L. K. TULASIRAM :—"I close my observations with the request to the hon. Minister to administer the rules in a more sympathetic manner."

* The hon. Mr. M. R. SETURATNAM AYYAR :—"I do not want to say anything on this matter except that I will bear the several suggestions made by hon. Members in mind, give a trial and await the result of the working of the Act." 3-15 p.m.

The hon. the PRESIDENT :—"I take it that the House is ready for a vote.

"The question is that—

'*This Council recommends to the Government that the revised notification and rules submitted to the Council for approval under section* 8 *of the Cotton Transport Act*, 1923 (*III of* 1923), *as amended by the Cotton Transport (Amendment) Act*, 1925 (*XXXIV of* 1925), *be issued by the Local Government in the form in which they have been so submitted.*'"

The question was put to the House and carried.

VII

A BILL TO AMEND THE MADRAS STATE AID TO INDUSTRIES ACT, 1922.

* The hon. Mr. M. R. SETURATNAM AYYAR :—"Mr. President, Sir, I beg to introduce a Bill[a] to amend the Madras State Aid to Industries Act, 1922.

"The Statement of Objects and Reasons explains fully the scope and purpose of the amendments embodied in the Bill. The working of the Act has shown the need for amending it with a view to enable cottage workers to avail themselves of the facilities afforded by it. It has been found that if cottage industries are to be assisted they should be exempted from the provisions of section 9 of the Act which requires that application for a loan should show assets equivalent to double the amount of the loan required. Cottage workers as a rule do not possess much assets and the restriction of the maximum limit of loan to 50 per cent of the assets stands in the way of their getting any assistance. It is therefore proposed to relax provisions of this section.

"Nextly, the cottage and small-scale industries cannot be expected to maintain detailed accounts, to prepare and submit returns and statements or to get their accounts audited by persons approved by Government for the purpose. In many cases, cottage workers and small-scale industrialists cannot, from the profits they realize from their business, incur the expense of employing a staff to prepare accounts or to meet the cost of audit. It is therefore proposed to exempt these concerns from section 11 of the Act.

"Nextly, these industries cannot get any guarantee of cash credit, or overdraft or fixed advance unless the conditions prescribed in sections 9—12 are satisfied. I have explained that it is necessary to exempt these concerns from the operation of sections 9—11 in respect of applications for cash loans under section 6 (*a*). For the same reasons it is necessary that they should be exempted from these provisions when they apply for aid under section 6 (*b*) of the Act.

[a] Published in the *Fort St. George Gazette*, dated 31st January 1928, as Bill No. 2 of 1928.